



An Insight to...

SEI MANGKEI SPECIAL ECONOMIC ZONE (SEZ)

MANAGED BY PT KAWASAN INDUSTRI NUSANTARA



THE PROSPECT OF GROWTH STARTS **HERE**

PROFILE OF SEI MANGKEI SEZ



Developer & Management :
PT Perkebunan Nusantara III
(Persero) & PT KINRA



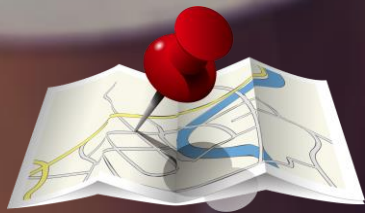
Total Area :
1.933,8 Ha
(HPL No, 1/2014)



Main Activities:
▪ Palm Oil Processing Industry
▪ Rubber Processing Industry



Estimated Investment
(until 2031):
▪ Infrastructure : IDR 5,1 Trillion
▪ Investor : IDR 129 Trillion



Location :
Simalungun Regency,
North Sumatera



Determination :
Government Regulation No.
29 year of 2012
Officialy Opened:
Januari 27, 2015



Direct Labor Projection:
83.304 people
(until 2031)



Impact on the Economy:
▪ Increased Output of IDR 92,1 Trillion
to the National Economy

BLAST FROM THE PAST



KEK SEI MANGKEI

Stipulation of SEZ Sei Mangkei Industrial Area in accordance with Government Regulation of Indonesian Republic No.29 Year of 2012

"Management Right" (HPL) Approval of SEZ Sei Mangkei covering an area of 1,933.80 Ha according to RI BPN Chief Decree No. 27 / HPL / BPN RI / 2014 dated June 23, 2014

2008

2012

2013

2014

2015

Approval for the Construction of the Sei Mangkei Industrial Estate, Ministry Regulation of BUMN No. S-465 / MBU / 2008 dated May 30, 2008

Determination of PTPN III as SEZ Sei Mangkei Business Development & Management Agency, Decree of Simalungun Regency No. 188.45 / 193 / Bppd dated January 30, 2013
May 2008

- Inauguration of SEZ Sei Mangkei Operations by the President of the Republic of Indonesia (January 27, 2015)
- Inauguration of Operations of PT. Unilever Oleochemical Indonesia (November 26, 2015)
- Award as the Best Developing Industrial Area in Initiation by BUMN from the Industry Ministry on December 17, 2015

KEY REGULATION



No.	Law or Regulation Number	Concerning
1	Constitution No.39 Year of 2009	Special Economic Zone (SEZ)
2	Presidential Decree No.8 Year of 2010	National Council of SEZ
3	Government Regulation of Indonesian Republic No.33 Year of 2010	National Council and Regional Council of SEZ
4	Government Regulation of Indonesian Republic No.2 Year of 2011	Implementation of SEZ
5	Government Regulation of Indonesian Republic No.29 Year of 2012	Stipulation of SEZ Sei Mangkei
6	Government Regulation of Indonesian Republic No.100 Year of 2012	Modification of Presidential Decree No.2 Year of 2011 about Implementation of SEZ
7	Government Regulation of Indonesian Republic Simalungun Regency No.10 year of 2012	Country Regional Spatial Plan of Simalungun Regency for The Year of 2011-2031
8	Regent Decision of Simalungun Regency No.188.45/193/Bppd Year of 2012	Stipulation of PTPN III as Developer of SEZ Sei Mangkei
9	Presidential Decree No.3 & President Instruction No.1 Year of 2016	Implementation Acceleration of National Strategic Project

INSTITUTIONAL STRUCTURE OF SEI MANGKEI SEZ

KEK SEI MANGKEI



**GROUNDBREAKING SEZ SEI MANGKEI
JANUARY 27th, 2015 BY PRESIDENT**



PRESIDENT

National

National Council

Chairman: Coordinating Minister of Economy
Members *) : Minister & Head of Non-Ministerial Government Agencies

Managing Team (Es 1) & Secretariat (Es 2)

*) Members of National Council of SEZ:

1. Ministry of Finance
2. Ministry of Trade
3. Ministry of Industry
4. Ministry of Internal Affairs
5. Ministry of Public Works
6. Ministry of Transportation
7. Ministry of Manpower and Transmigration
8. Ministry of National Development Planning
9. Indonesia Investment Coordinating Board
10. Cross-Ministry

Province

Regional Council

Chairman : Governor of North Sumatera
Vice Chairman : Regent of Simalungun
Members : Government Officials, Province Government Officials, Regency/City Government Officials

Secretariat

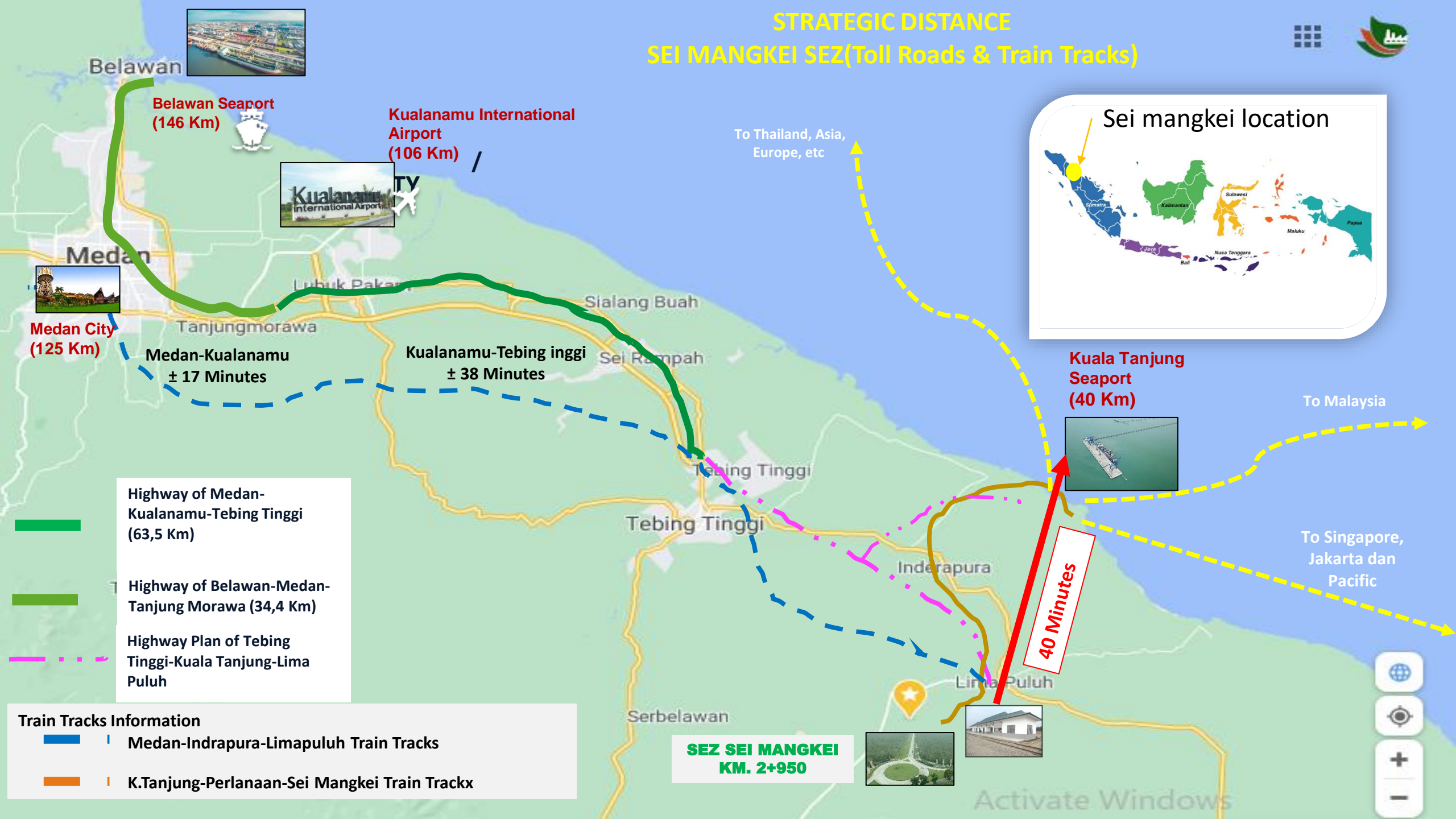
Regency/ City

**Administrator
SEZ SEI MANGKEI**

Business Entity

PT Kawasan Industri Nusantara

STRATEGIC DISTANCE SEI MANGKEI SEZ (Toll Roads & Train Tracks)



Highway of Medan-Kualanamu-Tebing Tinggi (63,5 Km)

Highway of Belawan-Medan-Tanjung Morawa (34,4 Km)

Highway Plan of Tebing Tinggi-Kuala Tanjung-Lima Puluh

Train Tracks Information

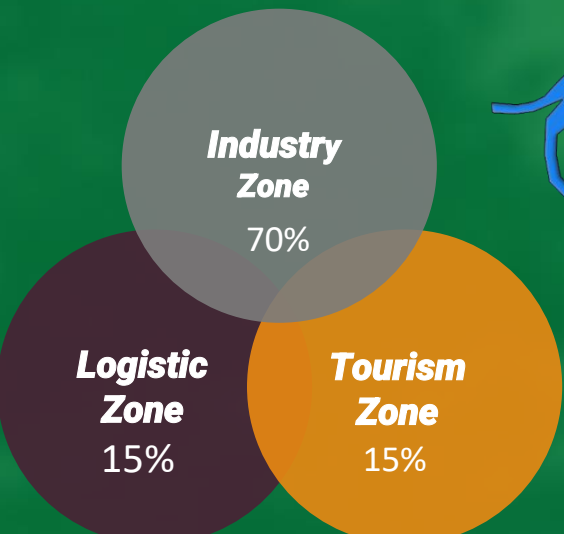
- Medan-Indrapura-Limapuluh Train Tracks
- K.Tanjung-Perlanaan-Sei Mangkei Train Trackx

**SEZ SEI MANGKEI
KM. 2+950**

40 Minutes

MASTER PLAN SEI MANGKEI SEZ

“The Green Zone Industry”



Total Land Area: 1933,8 Ha



Key Strenght Indicator (KSI)

- Rich Natural Resources surrounding the Industrial Estate. (Palm Oil & Rubber resource)
- Supported by three fundamental connectivity: **Train, Toll Roads, Seaport**
- **Fiscal and Non-Fiscal** Incentives existence. Highest incentives in Indonesia compared to any Industrial Zone
- Eco-Industrial Park: low carbon content, clean products, and contain elements of reduce, reuse and recycle (3R) in the operation.
- Selected as **Rubber City of Indonesia**: under IMT-GT working group supervision, Numerous of growth opportunities, primarily in rubber downstream product sectors.
- Existence of **Administrator** ini SEZ. One door administration gives a more ease in license and permit processing.
- Highly competitive wages and large supply of labour

PALM INDUSTRY ZONE

KEK SEI MANGKEI



Derivative CPO Product	Derivative PKO Product	Derivative Product of Solid Waste
Cooking Oil	Fatty Acid	Boiler Fuel (Palm Shell)
Margarine	Surfactant	Source of Calcium Fertilizer
Biodiesel	Glycerine	Compost
Shortening	Soap Noodle	Furniture raw material
Ice Cream	Shampoo	<i>Fiber Board</i> (as raw material of furniture)
Bakery Fats	Biscuits cream fats	Fiber material as car seat filler and mattresses
Soap	Coffee Whitener	etc
Emulsifier	Cocoa Butter Substitute	
Chocolate & coatings	Specialty Fats	
Dry Soaps	Sugar Confectionary	
Lubrications	Detergen	
Textiles	Ice Cream	
Plasticts	Shortening	
Cosmetics, etc.	etc	



RUBBER & VARIOUS INDUSTRY ZONE



KEK SEI MANGKEI

Rubber Industry Zone

- **Tyres Product**
(Inner & Outer tyres for bicycle, motorcycle, cars)
- **Automotive Products**
(Dockfender, coveyor belt, rol karet, bridge bearing, rail pad)
- **Latex Goods**
(gloves, condom, rubber thread, balloon, foam)
- **General Rubber Goods**
(footwear, sport apparels, household appliances)

Various Industry Zone

- ❑ **Electrical Appliances & Metal Industries**
(Air Conditioner, refrigerator, sewing machine, television, etc)
- ❑ **Chemical Industry**
(Medicine, pharmacy)
- ❑ **Food & Beverage Industry**
(flour, sugar, tea, coffee, salt, food packaging)
- ❑ **Building Materials and General Industry**
(sawn timber, plywood, marble)
- ❑ **Textiles Industry**
(yarn, clothes, etc)



UTILITIES AND FACILITY SEI MANGKEI SEZ



Inside SEZ Sei Mangkei :



Outside SEZ Sei Mangkei







* MMSCFD = Million Metric Standard Cubic Feet per Day


CLIENT AND PARTNER OF MANGKEI SEZ



PARTNER:

Client	Land	Address	Kind of Production
 PERTAMINA GAS <small>Igniting Brighter Future</small> PT Pertamina Gas (Pertagas)	1 Ha	SEZ Sei Mangkei, Bosar Maligas Distric, Simalungun Regency 21184	✓ 75 MMSCFD
 PERTAMINA POWER INDONESIA PLTBg PT Pertamina Power Indonesia	1,9 Ha	SEZ Sei Mangkei, Bosar Maligas Distric, Simalungun Regency 21184	✓ 2,1 MW
 PT Perusahaan Listrik Negara (PLN)	14,20 Ha	SEZ Sei Mangkei, Bosar Maligas Distric, Simalungun Regency 21184	✓ Substation 150 KV ✓ Capacity of 60 MVA
 KAI <small>PT KERETA API INDONESIA (PERSERO)</small> PT. Kereta Api Indonesia	-	SEZ Sei Mangkei, Bosar Maligas Distric, Simalungun Regency 21184	✓ Logistic Services





CLIENT

Tenant	Land	Address	Kind of Production	Employment Total
 Perkebunan Nusantara	Palm Oil Mill PTPN III	13,40 Ha	SEZ Sei Mangkei Bosar Maligas Distric, Simalungun Regency 21184	✓ Crude Palm Oil ✓ Palm Kernel 192 people
	Palm Kernel Oil Mill PTPN III	3,26 Ha	SEZ Sei Mangkei Bosar Maligas Distric, Simalungun Regency 21184	✓ Crude Palm Kernel Oil ✓ Palm Kernel Milk 77 people
	Biomass Power Plant	5,00 Ha	SEZ Sei Mangkei Bosar Maligas Distric, Simalungun Regency 21184	✓ 2 x 3,5 MW 80 people

TENANT OF SEI MANGKEI SEZ

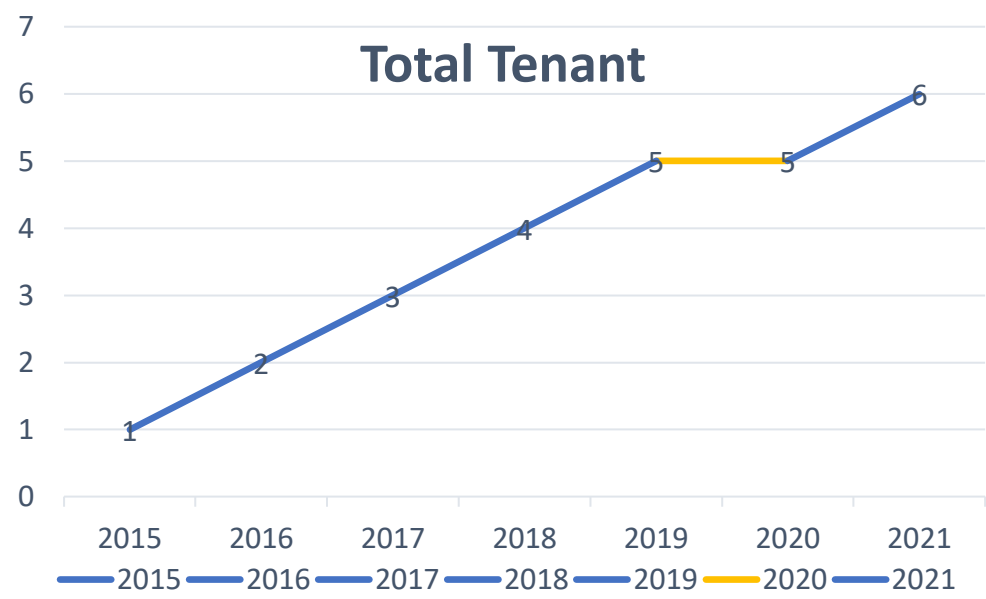
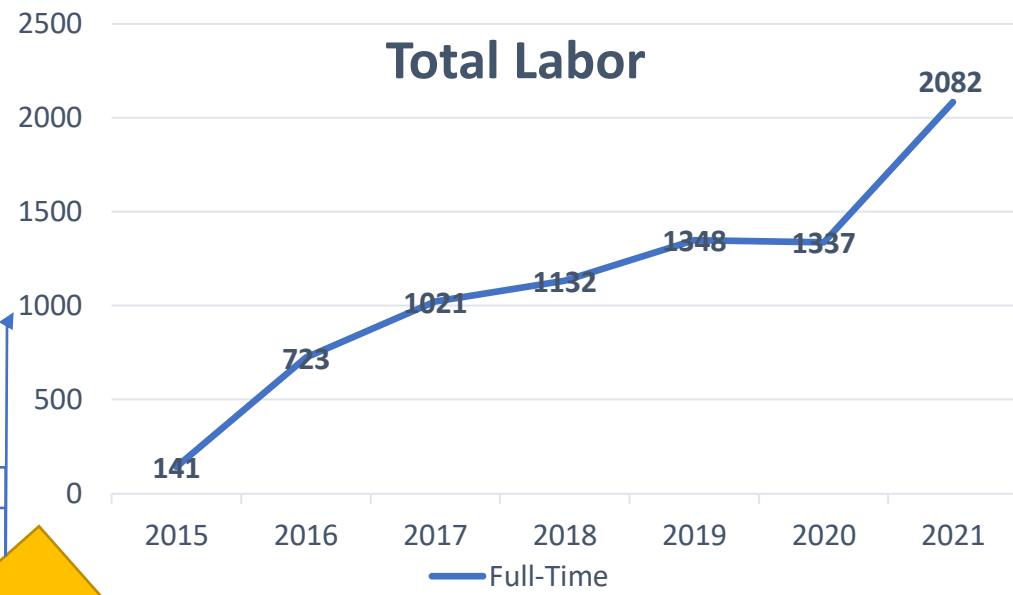
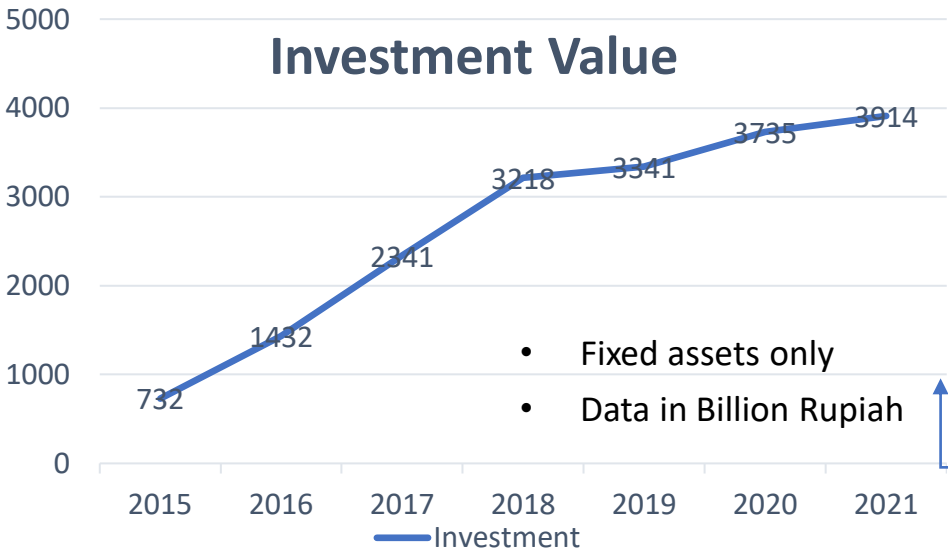


KEK SEI MANGKEI

Tenant	Land	Address	Kind of Production	Country of Origin
 PT Unilever Oleochemical Indonesia	27,28 Ha	SEZ Sei Mangkei Bosar Maligas Distric, Simalungun Regency 21184	<ul style="list-style-type: none"> ✓ Fatty Acid ✓ Surfactant ✓ Glycerine ✓ Soap Noddle 	England/Netherland
 PT Industri Nabati Lestari	7,46 Ha	SEZ Sei Mangkei Kav. 2-3 Bosar Maligas Distric, Simalungun Regency 21184	<ul style="list-style-type: none"> ✓ Salvaco Cooking Oil ✓ Purined Fatty Acid (PFAD) ✓ Stearin 	Indonesia
 PT Alternative Protein Indonesia	51 Ha	SEZ Sei Mangkei Bosar Maligas Distric, Simalungun Regency 21184	<ul style="list-style-type: none"> ✓ Chitine ✓ Protein ✓ Lipid 	England
 PT All Cosmos Biotek	4 Ha	SEZ Sei Mangkei Bosar Maligas Distric, Simalungun Regency 21184	<ul style="list-style-type: none"> ✓ Fertilizer ✓ Biotechnology ✓ Industrial Solutions 	Malaysia
 PT Aice Sumatera Industry	4 Ha	SEZ Sei Mangkei Kav C No.7 Bosar Maligas Distric, Simalungun Regency 21184	<ul style="list-style-type: none"> ✓ Ice Cream 	Singapore

SEI MANGKEI IN NUMERICAL

KEK SEI MANGKEI



• The graph shows a relatively good progress for Sei Mangkei SEZ

• In 2020, Covid Outbreak giving impact to the investor gaining in the SEZ. No new tenant added in **2020**.

Achievement so far...



EXPORT ACHIEVEMENT



IDR 5,18 Trillion
139% (yoy) Volume increase

INVESTMENT COMMITMENT



IDR 11,56 Trillion (Fixed Assets)
a.l. PT Alternatif Protein Indonesia (Rp 5,8 T),
PT Unilever Oleochemical Indonesia (Rp3,1 T),
PT Industri Nabati Lestari (Rp1,15 T)
PT Aice Sumatra Industry (Rp. 1 T)

WORKFORCE



2082 person
Have become full-time worker in the estate

Still below the Target

Focusing on Gaining new Investment and Land Occupational

Utilized Land: 241,14 Ha (12,57%) from the total Area of Sei Mangkei SEZ

Sei Mangkei SEZ TARGET



Impact on the Economy:
▪ Increased Output of IDR 92,1 Trillion to the National Economy



Estimated Investment (until 2031):
▪ Infrastructure : IDR 5,1 Trillion
▪ Investor : IDR 129 Trillion



Direct Labor Projection:
83.304 people (until 2031)

Multiplier Effect (2016 – 2020)



The number increase of Convenience store
From **2 store** to **14 store**



The number increase of hotel
From **1 hotel** to **6 hotel**



Land price escalation
From **IDR 300.000/m²** to **IDR 1.000.000 /m²**



Adding up of 20 more coffee shop near
the estate, with **34** in total today



Establishment of restaurants of more than
50+ outlets



Establishment of electronic & gadget store
up to **20+** outlets

Multiplier Effect

KEK SEI MANGKEI



CSR & CDP for the society in the region
Conducted by tenants in the SEZ



Infrastructure optimization by the government



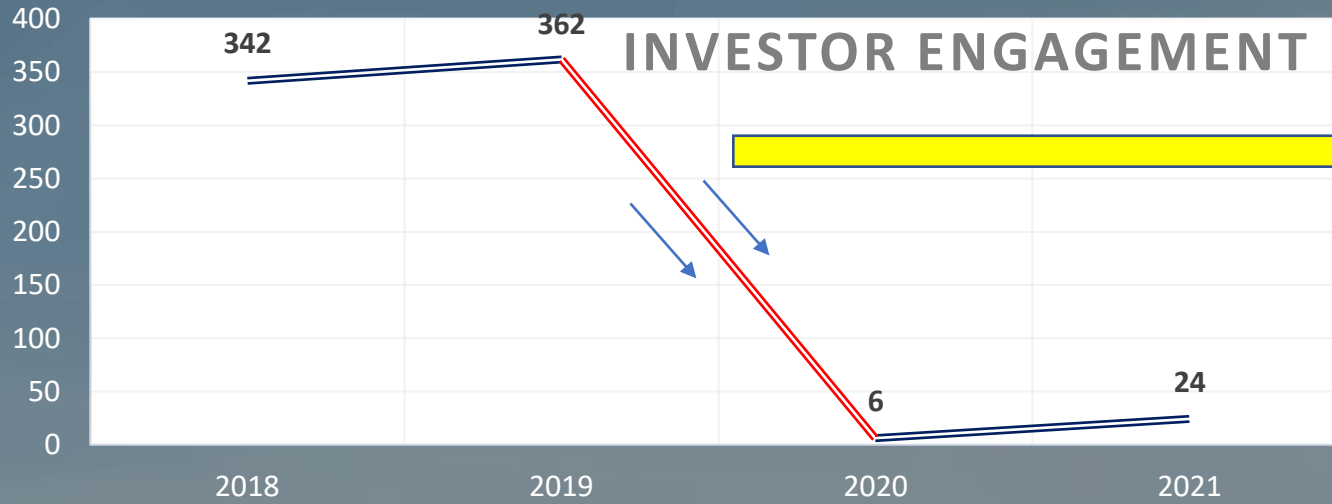
New housing residences,
With total **34 housing** today



New Sport Center near the estate,
From **0** to **3 Sport Center**






And Many More...

THE COVID-19 **IMPACT**



- **Significant Decrease** to the engagement with the prospective investor
- PT Kawasan Industri Nusantara itself is having difficulties in **promotion activity** due to the lockdown & physical distancing

Other Impact:

Tenant		Impact
	PT Unilever Oleochemical Indonesia	Strict health protocol applied, no other significant impact
	PT Industri Nabati Lestari	Strict health protocol applied, no other significant impact
	PT Alternative Protein Indonesia	Heavily impacted , loss their contemporary project investor due to the outbreak. Border restriction also held them to start the construction
	PT All Cosmos Biotek	Heavily impacted , no construction to the factory take place due to the Malaysia-Indonesia border restriction
	PT Aice Sumatera Industry	Slightly impacted , health protocol slowing their construction progress.

Clean Water Production



Month	Total Water Usage 2019	Total Water Usage 2020
JANUARY	111.250	128.353
FEBRUARY	108.236	132.803
MARCH	116.525	131.509
APRIL	111.417	138.262
MAY	114.937	136.429
JUNE	109.436	135.393
JULY	119.207	133.497
AUGUST	141.053	147.930
SEPTEMBER	144.797	150.184
OCTOBER	125.250	137.147
NOVEMBER	125.769	137.459
DECEMBER	119.774	140.305
TOTAL	1.447.651	1.594.579

- In 2020, there is accumulative gain in the clean water usage = **Tenant Production Escalating**



ASSETS OPTIMIZATION

- Intergrated Lab
- Alteration of abandoned hall to Restaurant
- Housing Rental



GREEN ENERGY

- Solar Panel
- Bio-Mass Power Plant
- Bio-Gas Power Plant.



MARKETING RE- DEVELOPMENT

- Digital Marketing
- Collaboration
- Human Capital Development

Business Adaptation in VUCA

